

NEVADA ECONOMY IN BRIEF

JANUARY 2002

Each year at this time, industrial employment estimates are revised (benchmarked) based on more complete information derived from other programs. Nevada's employment for 2001 was adjusted downward, not surprisingly since the national economy entered a recession early in the year. Consistent with lower employment levels, modified unemployment rates were higher than originally reported.

Statewide industrial employment for 2001 was lowered from a 3.4 percent annual average rate of increase to 2.6 percent. Growth in the second and third quarters—prior to any effects of September 11—was a full percentage point less than originally estimated, reflecting the weakening economy. Despite thousands of layoffs following the September terrorist attacks, Nevada's year-over-year job growth remained in positive territory (ranging from 0.4 percent to 0.6 percent) from October through January, a period when national employment comparisons worsened each month.

Modifications to labor force data resulted in last year's statewide average unemployment rate rising from 5.1 percent to 5.3 percent, a relatively insignificant change. The Las Vegas MSA increased from 5.2 percent to 5.5 percent. The Reno MSA was revised upward from 3.9 percent to 4.1 percent. In the Las Vegas MSA the unemployment rate rose gradually prior to September 11, then increased sharply in October. It has fallen one-tenth of a percentage point in each of the last three months to the current 6.8 percent.



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The rate for the Reno MSA reached its highest level in six years in January 2002. The recession, the closure of the Flamingo-Reno hotel-casino, and near-normal winter weather conditions have contributed to an increase from 4.0 percent to 5.8 percent unemployment in the last three months.

In the state's rural counties bad—but not unexpected—news continues to come from the mining industry. Milling operations have ceased at the Getchell Mine in Humboldt County. One hundred fifty-six (156) workers were laid off. Milling is also expected to end at the McCoy/Cove Mine in Lander County. Approximately 80 jobs will be lost at that site over

the next few months. Mining activity at the Kennecott Rawhide Mine in Mineral County could end in August, an event that also will affect Churchill County, where many of the estimated 55 affected workers live. The Ruby Hill Mine near Eureka recently laid off 15 workers and expects to lay off 53 more in October. On a more positive note, the price of gold has risen above \$290 per ounce in recent weeks, fueled by improving supply and demand fundamentals and economic uncertainty emanating from the Enron scandal.

A consensus is emerging among economists that the bottom of the national economic trough has been reached, although the strength of the potential recovery is being debated. Increases have been reported in Gross Domestic Product (GDP) and other economic indicators. A strong national economy has always been important to Nevada's tourism industry, but a few more difficult months lie ahead as job losses, travel restrictions, and general uncertainty continue to hinder economic activity.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA

(NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	JAN 02 ^P	JAN 01	DEC 01
TOTAL	1,039,300	1,033,700	1,055,700
MINING	9,400	10,300	9,500
CONSTRUCTION	86,800	83,500	90,200
MANUFACTURING	45,300	46,300	45,500
T.C.P.U. *	56,500	57,400	56,600
TRADE	221,000	216,500	227,200
wholesale	38,900	38,400	39,500
retail	182,100	178,100	187,700
F.I.R.E. **	50,100	48,300	50,200
SERVICES	444,200	448,600	445,200
hotels/gaming/rec.	233,600	242,100	233,700
GOVERNMENT	126,000	122,800	131,300

LAS VEGAS MSA

TOTAL	771,900	766,900	780,900
MINING	1,500	1,700	1,500
CONSTRUCTION	69,900	67,800	72,400
MANUFACTURING	25,300	25,300	25,400
T.C.P.U. *	42,300	43,300	42,800
TRADE	166,900	163,400	171,300
wholesale	23,100	22,700	23,500
retail	143,800	140,700	147,800
F.I.R.E. **	38,600	37,100	38,500
SERVICES	343,900	347,400	342,600
hotels/gaming/rec.	185,500	192,900	185,200
GOVERNMENT	83,500	80,900	86,400

RENO MSA

TOTAL	192,500	191,100	198,400
MINING	400	400	400
CONSTRUCTION	14,500	13,700	15,200
MANUFACTURING	14,300	14,800	14,400
T.C.P.U. *	12,100	12,700	12,300
TRADE	43,400	42,800	45,200
wholesale	12,300	12,400	12,500
retail	31,100	30,400	32,700
F.I.R.E. **	9,000	8,700	9,200
SERVICES	74,100	73,900	75,400
hotels/gaming/rec.	31,700	31,800	31,900
GOVERNMENT	24,700	24,100	26,300

T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	JAN 02 ^P	JAN 01	DEC 01
LABOR FORCE	1,043,700	1,000,100	1,038,200
EMPLOYMENT	973,100	951,200	969,400
UNEMPLOYMENT	70,600	48,900	68,800
UNEMP. RATE (see note)	6.2%	4.4%	6.9%

LAS VEGAS MSA

LABOR FORCE	820,900	784,800	816,100
EMPLOYMENT	765,000	747,500	760,100
UNEMPLOYMENT	55,900	37,300	56,000
UNEMP. RATE	6.8%	4.7%	6.9%

RENO MSA

LABOR FORCE	184,800	178,100	185,500
EMPLOYMENT	174,100	170,400	176,200
UNEMPLOYMENT	10,700	7,700	9,300
UNEMP. RATE	5.8%	4.3%	5.0%

UNITED STATES

UNEMP. RATE (see note)	5.6%	4.2%	5.8%
JOB GROWTH (see note)	(0.9)%	1.3%	(0.8)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	177.1	175.1	176.7
12-MONTH % CHANGE	1.1%	3.7%	1.6%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

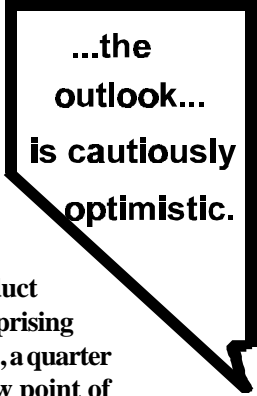
	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JAN ^P	JAN	DEC	JAN ^P	JAN	DEC	JAN ^P	JAN	DEC
	2002	2001	2001	2002	2001	2001	2002	2001	2001
MINING	\$993.82	\$1043.32	\$1010.41	43.8	45.8	44.2	\$22.69	\$22.78	\$22.86
CONSTRUCTION	790.84	764.71	808.49	35.4	34.4	36.6	22.34	22.23	22.09
MANUFACTURING	581.99	607.75	591.63	40.5	42.5	41.2	14.37	14.30	14.36
durable goods	618.68	617.48	639.30	43.6	43.7	44.8	14.19	14.13	14.27
nondurable goods	503.28	590.14	489.10	33.8	40.2	33.5	14.89	14.68	14.60
PUBLIC UTILITIES	751.92	828.00	769.73	39.0	40.0	39.8	19.28	20.70	19.34
TRADE	411.34	401.89	423.75	31.4	32.1	32.2	13.10	12.52	13.16
wholesale	770.20	707.92	815.18	41.7	40.2	43.2	18.47	17.61	18.87
retail	337.54	337.14	343.55	29.3	30.4	29.9	11.52	11.09	11.49

NEVADA ECONOMY IN BRIEF

FEBRUARY 2002

Nevada's statewide unemployment rate reached its lowest point in five months in February. The rate has declined eight-tenths of a percentage point from its December peak of 6.9 percent. The state has produced more than 5,000 new jobs over the past twelve months, despite thousands of layoffs in tourism-related businesses after September 11. Although gaming industry employment remains below its pre-September 11 level, comparisons to the same period a year earlier indicate gradual improvement each month since the job cuts were first reflected in the October data. With the U.S. economy showing signs of recovery and air traffic increasing nationwide, the outlook for Nevada's tourism industry is cautiously optimistic.

The latest estimate of U.S. Gross Domestic Product (GDP) indicated the national economy grew at a surprising 1.7 percent annual rate in the fourth quarter of 2001, a quarter that many analysts thought would mark the low point of the current economic downturn. Other reports showed the first expansion of the manufacturing sector in 18 months and a gradual decline in the number of new claims for unemployment insurance benefits. Businesses have reduced their inventories of unsold goods—a harbinger of increased future production—and both interest rates and inflation remain low, providing a favorable climate for growth. Although economic recoveries do not always show consistent upward movement from month to month, most signs point to a modest expansion throughout 2002 and into 2003.



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Several airlines have announced that previously suspended flights to Las Vegas—and to Reno, to a lesser extent—will be restored and some new routes will be added over the next few months. The list includes several weekly flights to Las Vegas from Asian cities. Asian visitors to Las Vegas have historically generated above-average retail sales, and Asian high rollers are a major contributor to casino revenues. Las Vegas Strip gaming revenues remain at an unusually low level. The January gaming report (the most recent available)

shows that slot machine revenues were about one percent higher statewide than a year earlier, but table game revenues were down more than 36 percent. The returns for baccarat, a favorite game of the high rollers, were even worse. While a return of Asian travelers will help Las Vegas, the Reno market should benefit from the resurrection of the former Flamingo-Reno hotel-casino as the Golden Phoenix Hotel Casino & Resort over the spring and summer months.

The situation in rural Nevada shows less promise. The price of gold remains above \$290 per ounce, higher than a year ago but insufficient to stimulate massive new investment. Several existing mines

have reached, or are approaching, the end of their productive lives. Mining industry employment, already well below its 1996-1997 peak, is expected to decline further in the near term. Several rural counties are promoting tourism to provide jobs and increase revenues, and Elko area hotels and motels will receive a boost if classes resume at the University of Nevada, Reno Fire Science Academy in May. Mining is the key to the rural economy, however, and tourism can only partially offset the loss of high-paying mining jobs.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	FEB 02 ^P	FEB 01	JAN 02
TOTAL	1,049,200	1,043,500	1,041,400
MINING	9,200	10,300	9,400
CONSTRUCTION	88,000	84,300	87,300
MANUFACTURING	45,600	46,500	45,400
T.C.P.U. *	56,300	58,000	56,000
TRADE	221,200	215,400	221,600
wholesale	39,000	38,600	38,900
retail	182,200	176,800	182,700
F.I.R.E. **	50,200	48,500	50,200
SERVICES	447,700	453,200	445,500
hotels/gaming/rec.	234,600	242,600	233,800
GOVERNMENT	131,000	127,300	126,000

LAS VEGAS MSA***

TOTAL	779,300	774,100	773,800
MINING	1,400	1,600	1,500
CONSTRUCTION	70,900	68,800	70,200
MANUFACTURING	25,400	25,500	25,400
T.C.P.U. *	42,600	43,900	42,400
TRADE	167,500	162,800	167,700
wholesale	23,200	22,900	23,100
retail	144,300	139,900	144,600
F.I.R.E. **	38,700	37,400	38,600
SERVICES	346,200	350,900	344,400
hotels/gaming/rec.	186,300	193,200	185,600
GOVERNMENT	86,600	83,200	83,600

RENO MSA***

TOTAL	194,600	193,200	193,100
MINING	300	400	400
CONSTRUCTION	14,600	13,800	14,500
MANUFACTURING	14,400	14,900	14,400
T.C.P.U. *	12,100	12,600	12,200
TRADE	43,500	42,600	43,600
wholesale	12,400	12,400	12,300
retail	31,100	30,200	31,300
F.I.R.E. **	9,000	8,800	9,000
SERVICES	74,500	74,400	74,300
hotels/gaming/rec.	31,800	32,000	31,700
GOVERNMENT	26,200	25,700	24,700

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

*** MSA = Metropolitan Statistical Area

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	FEB 02 ^P	FEB 01	JAN 02
LABOR FORCE	1,050,000	1,008,700	1,044,500
EMPLOYMENT	983,800	960,700	973,600
UNEMPLOYMENT	66,200	48,000	70,900
UNEMP. RATE (see note)	6.1%	4.6%	6.3%

LAS VEGAS MSA***

LABOR FORCE	825,900	791,000	822,000
EMPLOYMENT	773,600	754,800	766,000
UNEMPLOYMENT	52,300	36,200	56,000
UNEMP. RATE	6.3%	4.6%	6.8%

RENO MSA***

LABOR FORCE	186,500	180,100	185,200
EMPLOYMENT	176,400	172,400	174,400
UNEMPLOYMENT	10,100	7,700	10,800
UNEMP. RATE	5.4%	4.3%	5.8%

UNITED STATES

UNEMP. RATE (see note)	5.5%	4.2%	5.6%
JOB GROWTH (see note)	(1.0)%	1.3%	(0.9)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	177.8	175.8	177.1
12-MONTH % CHANGE	1.1%	3.5%	1.1%

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of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	FEB ^P	FEB	JAN	FEB ^P	FEB	JAN	FEB ^P	FEB	JAN
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$946.82	\$1010.24	\$980.84	41.6	44.8	43.4	\$22.76	\$22.55	\$22.60
CONSTRUCTION	815.42	797.04	786.84	37.2	36.0	35.3	21.92	22.14	22.29
MANUFACTURING	563.90	592.20	590.15	39.6	42.3	40.7	14.24	14.00	14.50
durable goods	591.47	600.57	628.58	41.8	43.3	43.5	14.15	13.87	14.45
nondurable goods	505.35	575.48	507.66	34.9	40.3	34.7	14.48	14.28	14.63
PUBLIC UTILITIES	790.69	797.51	792.00	40.3	39.5	40.0	19.62	20.19	19.80
TRADE	416.61	399.74	419.50	31.9	31.5	31.4	13.06	12.69	13.36
wholesale	811.83	703.02	812.00	43.6	39.1	43.1	18.62	17.98	18.84
retail	335.71	332.57	338.43	29.5	29.8	29.0	11.38	11.16	11.67

NEVADA ECONOMY IN BRIEF

MARCH / FIRST QUARTER 2002

Nevada's job market continued its gradual improvement in March. The seasonally adjusted statewide unemployment rate fell for the third consecutive month to 5.8 percent. The rate is down more than one percentage point from its recent high of 6.9 percent in December. The state has produced 7,600 new jobs in the past 12 months, but the overall growth rate is a modest 0.7 percent and wide discrepancies exist between industries.

The sectors with the strongest job growth are those influenced more by increasing population than by national economic trends. Retail trade, construction, local government (including school districts), and health services have generated more than 2,000 jobs each in the past year. On the other side of the ledger, manufacturing, business services (including temporary help providers), and transportation are among the industries that have seen year-over-year decreases in employment due to both the national recession and the effects of the September 11 terrorist attacks.

The Hotels, Gaming and Recreation (HGR) sector has partially recovered from the post-September 11 decline in tourism. HGR employs 7,700 fewer workers than it did a year ago, but the year-over-year decline was 11,400 in October 2001. The state's casinos received the expected boost from the Super Bowl and Chinese New Year in February. Statewide gaming win increased a year-over-year 7.8 percent, the largest percentage gain since the summer of 2000. A more meaningful comparison, however, is the combined January-February win total, since

...headed
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recovery...

the two events occurred in January in 2001 and February in 2002. Gaming revenues for the two months are down about 5 percent statewide and 10 percent on the Las Vegas Strip, indications that gaming and tourism are not yet back to normal. Hotel room rates on the Strip remain below the year-ago levels but are improving at some resorts. Many gaming industry analysts expect room prices to approach last year's range in coming months.

There is good news for tourism in other parts of the state as well. The Golden Phoenix in downtown Reno partially reopened on April 2. Vail Resorts has purchased the Heavenly Ski Resort at the south shore of Lake Tahoe and plans \$40 million in improvements over the next five years. The reopening of the Fire Science Academy near Carlin in early May should provide additional business for Elko-area hotels and motels, and the Station in Tonopah could reopen by late April.

Like Nevada, the nation as a whole seems headed for a modest recovery, although threats remain. Political instability in the Middle East and in Venezuela has pushed oil prices higher, raising the possibility of renewed inflation. The Federal Reserve Board is expected to increase interest rates beginning in the third quarter. Corporate profits have been slow to recover, and until they do business investment and new job creation will be restrained. Most indicators point upward, however, including air travel statistics that are so vital to Nevada's well being.

1ST QUARTER HIGHLIGHTS

#The 1.3 million square-foot expansion of the Las Vegas Convention Center opened in January.

#Wal-Mart announced that it will build a long-awaited store in Pahrump.

#Milling operations ended at the Gatchell Mine near Winnemucca, putting 156 people out of work.

#Japan Airlines resumed nonstop Tokyo to Las Vegas service that was suspended in October.

#Gold traded between \$275 and \$305 per ounce in

the first quarter compared to an average of \$271 per ounce for all of 2001.

#Congress voted to authorize extended unemployment benefits for laid-off workers.

#Michelin North America announced it would close its tire manufacturing plant north of Reno.

#Intuit Inc. eliminated 55 jobs in Fallon as part of a consolidation of its operations in Reno.

#The Ponderosa Dairy in Nye County announced it will add 40 people and 3,000 cows to its workforce.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	MAR 02 ^P	MAR 01	FEB 02
TOTAL	1,059,900	1,052,300	1,049,800
MINING	9,100	10,200	9,200
CONSTRUCTION	90,000	86,100	88,100
MANUFACTURING	45,800	46,800	45,600
T.C.P.U. *	56,700	58,300	56,300
TRADE	223,200	216,700	221,300
<i>wholesale</i>	39,300	38,800	39,100
<i>retail</i>	183,900	177,900	182,200
F.I.R.E. **	50,800	49,200	50,400
SERVICES	452,200	456,800	448,000
<i>hotels/gaming/rec.</i>	236,800	244,500	234,600
GOVERNMENT	132,100	128,200	130,900

LAS VEGAS MSA***

TOTAL	787,700	780,100	780,200
MINING	1,400	1,600	1,400
CONSTRUCTION	72,300	70,000	71,000
MANUFACTURING	25,600	25,500	25,400
T.C.P.U. *	43,000	44,200	42,700
TRADE	169,300	164,000	167,600
<i>wholesale</i>	23,400	23,000	23,300
<i>retail</i>	145,900	141,000	144,300
F.I.R.E. **	39,100	37,800	38,800
SERVICES	349,400	353,300	346,700
<i>hotels/gaming/rec.</i>	187,800	194,500	186,400
GOVERNMENT	87,600	83,700	86,600

RENO MSA***

TOTAL	196,500	195,100	194,500
MINING	400	400	400
CONSTRUCTION	15,000	14,200	14,600
MANUFACTURING	14,500	15,000	14,400
T.C.P.U. *	12,200	12,700	12,100
TRADE	43,600	42,600	43,500
<i>wholesale</i>	12,400	12,400	12,400
<i>retail</i>	31,200	30,200	31,100
F.I.R.E. **	9,100	8,900	9,000
SERVICES	75,500	75,500	74,500
<i>hotels/gaming/rec.</i>	32,300	32,500	31,800
GOVERNMENT	26,200	25,800	26,000

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	MAR 02 ^P	MAR 01	FEB 02
LABOR FORCE	1,045,900	1,004,500	1,050,000
EMPLOYMENT	986,000	958,400	983,900
UNEMPLOYMENT	59,900	46,100	66,100
UNEMP. RATE (see note)	5.8%	4.7%	6.1%

LAS VEGAS MSA***

LABOR FORCE	823,100	788,300	826,200
EMPLOYMENT	776,100	753,200	774,100
UNEMPLOYMENT	47,000	35,100	52,100
UNEMP. RATE	5.7%	4.5%	6.3%

RENO MSA***

LABOR FORCE	186,000	179,400	186,400
EMPLOYMENT	176,700	172,200	176,200
UNEMPLOYMENT	9,300	7,200	10,200
UNEMP. RATE	5.0%	4.0%	5.5%

UNITED STATES

UNEMP. RATE (see note)	5.7%	4.3%	5.5%
JOB GROWTH (see note)	(1.0)%	0.9%	(1.0)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	178.8	176.2	177.8
12-MONTH % CHANGE	1.5%	2.9%	1.1%

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NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

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of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	MAR ^P	MAR	FEB	MAR ^P	MAR	FEB	MAR ^P	MAR	FEB
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$968.69	\$1029.67	\$960.96	41.7	45.4	42.0	\$23.23	\$22.68	\$22.88
CONSTRUCTION	821.18	810.26	812.86	36.4	36.4	36.5	22.56	22.26	22.27
MANUFACTURING	570.78	603.60	582.34	39.5	43.3	40.3	14.45	13.94	14.45
<i>durable goods</i>	603.36	620.71	618.03	41.9	44.4	42.8	14.40	13.98	14.44
<i>nondurable goods</i>	500.09	566.47	504.25	34.3	40.9	34.8	14.58	13.85	14.49
PUBLIC UTILITIES	817.63	790.40	806.00	40.8	40.0	40.3	20.04	19.76	20.00
TRADE	424.10	402.91	419.20	32.3	31.7	32.0	13.13	12.71	13.10
<i>wholesale</i>	838.83	717.79	813.69	44.5	40.1	43.7	18.85	17.90	18.62
<i>retail</i>	337.93	335.18	336.01	29.8	29.9	29.5	11.34	11.21	11.39

UPCOMING CHANGES IN INDUSTRY CODING STRUCTURE

by Kim Harris

Since the 1930's, state and federal employment statistics by industry have been based on the Standard Industrial Classification (SIC) system. The four-digit SIC coding structure represents the primary industrial activity of establishments, based on the principal product produced or service rendered. Although the 1,004 industries within the SIC have been updated periodically to reflect changes in the economy, these codes primarily reflect a manufacturing based economy. Because the SIC does not provide adequate detail for the newly developing service industries, these codes are being replaced by North American Industry Classification System (NAICS) codes.

The Office of Management and Budget (OMB) announced adoption of the NAICS coding structure in 1997. The U.S., Mexico, and Canada developed this system to provide comparable industrial statistics among these three partners in the North American Free Trade Agreement (NAFTA). The new NAICS coding structure reflects changes in technology and the more diversified service industries exhibited by our economy. Unlike the SIC, NAICS employs a unified economic concept to classify industries on the basis of their production or supply function. This production oriented system groups units that use similar production processes to produce goods and services in the same industry. For example, establishments using similar raw material inputs, capital equipment, and labor are classified similarly. Revisions to NAICS codes were implemented with the release NAICS 2002.

NAICS is comprised of 20 sectors and 1,179 industries, including 358 new industries. Two sectors that reflect the "new economy" are the Information sector and the Professional, Scientific, and Technical Services sector. The Information sector treats information like a commodity and groups industries that create and disseminate products subject to copyright. The Professional, Scientific, and Technical Services sector is comprised of 35 industries where human capital is the major input and includes offices of lawyers, engineering services, and advertising agencies.

The six-digit classification code provides detail about these new and emerging industries not included in the SIC, such as the Internet, cellular communications, and high-tech manufacturing. Other rapidly growing sectors are more clearly defined, such as temporary help supply services, employee leasing, and telemarketing bureaus. The NAICS

structure now reflects recent trends in trade by providing separate codes for convenience stores, warehouse clubs and superstores, and discount department stores. Restaurants are also further defined as full-service, limited-service/fast-food, and snack bars. The addition of a new code for Casino Hotels, separate from Hotels and Motels, will provide additional detail about Nevada employers.

The current implementation schedule for NAICS varies among state and federal agencies. In Nevada, all Covered Employment and Wage data (CEW, or also known as ES-202) have now been assigned NAICS 2002 codes and are available in database format. Publication of NAICS-based employment data in Nevada will begin in 2003 with conversion of the monthly Current Employment Statistics (CES) program, followed by quarterly CEW data. Historical CES and CEW data may be available from 1990 forward, although the Bureau of Labor Statistics (BLS) is currently examining different methods of reconstructing these data.

Nationally, the BLS move to NAICS 2002 began with release of U.S. CEW data in 2001, with CES conversion in 2003. The Bureau of Census conducted the 1997 Economic Census using NAICS 1997 and will use NAICS 2002 in the 2002 Economic Census. This lack of comparability may present problems for analysts until the transition to NAICS is fully completed by all agencies.

If you would like additional information on the NAICS coding structure, please contact Kim Harris at 775-684-0375 or visit the following Web site:

<http://www.bls.gov/bls/naics.htm>

References:

"Implementing the North American Industry Classification System at BLS," James A. Walker and John B. Murphy, Monthly Labor Review, December 2001, pp. 15-21.

"Introducing the North American Industry Classification System," John B. Murphy, Monthly Labor Review, July 1998, pp. 43-47.

INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

	<u>Oct.'01</u>	<u>Nov.'01</u>	<u>Dec.'01</u>	<u>Jan.'02</u>	<u>Feb.'02</u>	<u>Mar.'02</u>
NEVADA						
TOTAL	1046.5	1046.8	1049.6	1055.0	1060.5	1066.5
Mining	9.8	9.7	9.6	9.5	9.2	9.2
Construction	90.3	90.3	90.1	90.3	91.4	92.2
Manufacturing	45.8	45.6	45.7	45.7	45.8	46.0
<i>Durable Goods</i>	28.9	28.7	28.8	28.8	28.8	29.0
<i>Non-durable Goods</i>	16.9	16.9	16.9	16.9	17.0	17.0
TCPU	56.6	56.4	56.5	56.4	56.7	56.9
Trade	222.0	221.7	221.9	223.7	224.6	226.2
<i>Wholesale</i>	39.2	39.2	39.4	39.2	39.4	39.5
<i>Retail</i>	182.8	182.5	182.5	184.5	185.2	186.7
FIRE	50.2	50.1	50.1	50.3	50.6	50.9
Services	444.3	445.1	447.6	451.4	453.4	455.8
<i>HGR</i>	234.8	235.7	236.5	238.3	238.4	238.7
Government	127.5	127.9	128.1	127.7	128.8	129.3

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

State of Nevada
 Department of Employment, Training & Rehabilitation
 Research & Analysis Bureau
 500 E. Third Street
 Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

APRIL 2002

Nevada experienced another month of moderate job creation and declining unemployment in April. The statewide unemployment rate fell three-tenths of a percentage point to 5.5 percent, and the number of jobs grew by 5,100. Although the increase in jobs was a positive sign, the employment gain does not tell the whole story. The state's gaming industry has not fully recovered from last year's drop in tourism, and the summer job market could be the worst in several years due to the recent national recession.

The state's casinos were unable to replicate the February gains provided by the Super Bowl and the Chinese New Year. Gross gaming win declined a year-over-year 5.8 percent in March, a reasonable reflection of current reality. One survey of Las Vegas Strip hotels showed May room prices down about 5 percent on weekends and 13 percent midweek compared to a year earlier, a sign of weaker-than-normal demand. Negotiation of a new labor contract with the Las Vegas Strip's largest union is straining the gaming industry further. Post-September 11 layoffs and reduced profitability have provided ammunition for parties on both sides of the negotiating table. A strike after May 31 is possible, although the two sides continue to work toward a settlement.

Despite the current difficulties, numerous Las Vegas projects—both new and revived—have been in the news recently. The northern end of the Las Vegas Strip is the potential target for several developments. Trump Tower

Las Vegas, a \$300 million condominium project, was announced as part of a potential three-phase growth spurt that could include the eventual replacement of the New Frontier hotel-casino and another new casino adjacent to it. Financing for the La Reve hotel-casino may be nearing completion, and the Fashion Show Mall expansion should open in the fourth quarter. Further south on the Strip, the Forum Shops at Caesars may embark on its next expansion, and the Venetian resort may increase its convention space and start work on its delayed 1,000-room addition.

Conditions in the northern part of the state have changed little. Both the Reno/Sparks and Lake Tahoe gaming markets have suffered several quarters of disappointing results. The absence of a major bowling tournament in Reno this year will not help, nor will the ongoing expansion of Indian gaming in California. In the rural counties, maintenance of the recent \$310 per ounce gold price level may slow employment losses, but significant new job-producing exploration and development activity is not yet on the horizon.

Although the U.S. economy is on the road to recovery, reduced profit levels make companies reluctant to reinstate or hire new workers. The national unemployment rate rose three-tenths of a percentage point in April to 6.0 percent. More than a half million people entered the labor force, but only 43,000 new jobs were created. Nevada's job market could mirror that trend this summer. Teachers, students, and new graduates may find a shortage of available jobs when the school year ends. A rise in the unemployment rate is likely to follow, even as other economic indicators show improvement.

...gaming
industry has
not fully
recovered..

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	APR 02 ^P	APR 01	MAR 02
TOTAL	1,064,800	1,052,900	1,059,700
MINING	9,000	10,000	9,100
CONSTRUCTION	90,800	87,300	90,000
MANUFACTURING	45,700	46,500	45,800
T.C.P.U. *	56,900	58,700	56,700
TRADE	225,000	218,500	223,200
<i>wholesale</i>	39,500	39,000	39,300
<i>retail</i>	185,500	179,500	183,900
F.I.R.E. **	51,000	48,900	50,800
SERVICES	454,600	453,400	452,000
<i>hotels/gaming/rec.</i>	237,800	244,600	236,700
GOVERNMENT	131,800	129,600	132,100

LAS VEGAS MSA***

TOTAL	790,500	779,900	787,600
MINING	1,400	1,600	1,400
CONSTRUCTION	72,600	70,300	72,300
MANUFACTURING	25,600	25,400	25,600
T.C.P.U. *	43,100	44,500	43,000
TRADE	170,600	165,500	169,300
<i>wholesale</i>	23,600	23,200	23,400
<i>retail</i>	147,000	142,300	145,900
F.I.R.E. **	39,300	37,500	39,100
SERVICES	350,800	349,700	349,400
<i>hotels/gaming/rec.</i>	188,400	194,400	187,800
GOVERNMENT	87,100	85,400	87,500

RENO MSA***

TOTAL	197,800	196,500	196,600
MINING	400	500	400
CONSTRUCTION	15,600	15,100	15,000
MANUFACTURING	14,400	14,700	14,500
T.C.P.U. *	12,300	12,700	12,200
TRADE	43,700	42,600	43,600
<i>wholesale</i>	12,400	12,300	12,400
<i>retail</i>	31,300	30,300	31,200
F.I.R.E. **	9,100	9,000	9,100
SERVICES	76,200	76,100	75,600
<i>hotels/gaming/rec.</i>	32,600	32,800	32,300
GOVERNMENT	26,100	25,800	26,200

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

*** MSA = Metropolitan Statistical Area

FOR ADDITIONAL LABOR MARKET DATA CONTACT THE RESEARCH & ANALYSIS BUREAU

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INTERNET: detr.state.nv.us

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	APR 02 ^P	APR 01	MAR 02
LABOR FORCE	1,042,800	1,006,700	1,046,200
EMPLOYMENT	985,500	958,100	985,900
UNEMPLOYMENT	57,300	48,600	60,300
UNEMP. RATE (see note)	5.5%	4.8%	5.8%

LAS VEGAS MSA***

LABOR FORCE	821,700	789,500	823,600
EMPLOYMENT	775,900	752,000	776,100
UNEMPLOYMENT	45,800	37,500	47,500
UNEMP. RATE	5.6%	4.8%	5.8%

RENO MSA***

LABOR FORCE	185,900	180,300	186,100
EMPLOYMENT	177,200	173,100	176,800
UNEMPLOYMENT	8,700	7,200	9,300
UNEMP. RATE	4.7%	4.0%	5.0%

UNITED STATES

UNEMP. RATE (see note)	6.0%	4.5%	5.7%
JOB GROWTH (see note)	(1.0)%	0.6%	(1.1)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	179.8	176.9	178.8
12-MONTH % CHANGE	1.6%	3.3%	1.5%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	APR ^P	APR	MAR	APR ^P	APR	MAR	APR ^P	APR	MAR
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$1011.74	\$1071.38	\$967.86	43.2	46.4	41.7	\$23.42	\$23.09	\$23.21
CONSTRUCTION	834.29	823.92	820.65	36.4	37.4	36.2	22.92	22.03	22.67
MANUFACTURING	577.10	605.23	570.51	39.8	43.2	39.4	14.50	14.01	14.48
<i>durable goods</i>	616.59	631.74	604.01	42.7	44.9	41.8	14.44	14.07	14.45
<i>nondurable goods</i>	490.31	547.47	497.95	33.4	39.5	34.2	14.68	13.86	14.56
PUBLIC UTILITIES	827.71	770.18	804.74	41.2	39.7	40.5	20.09	19.40	19.87
TRADE	414.74	412.75	427.70	32.2	32.5	32.5	12.88	12.70	13.16
<i>wholesale</i>	867.50	739.62	843.03	45.3	42.0	44.3	19.15	17.61	19.03
<i>retail</i>	337.20	344.04	340.80	30.0	30.5	30.0	11.24	11.28	11.36

NEVADA ECONOMY IN BRIEF

MAY 2002

Gradual economic improvement was evident in both national and state employment data in May. The U.S. unemployment rate fell two-tenths of a percentage point to 5.8 percent during the month. Employment increased 41,000 nationwide. Although the number of new jobs was the largest since February 2001, it represented only a fraction of the 200,000 new jobs created monthly during the recent ten-year expansion. In Nevada the seasonally adjusted unemployment rate remained unchanged at 5.5 percent. The number of jobs in the state increased 7,000 over the month, but 1.1 percent annual job growth remains unimpressive by Nevada standards.

Continued weakness in the tourism industry obscures a more positive picture across much of the economic spectrum. Hotels, Gaming and Recreation sector employment remains well below the level of a year ago. There are 7,000 fewer jobs in the industry statewide (6,000 in the Las Vegas MSA) than in May 2001. Increases in other industries—especially construction, retail trade, health services, and local school districts—have more than offset gaming's loss. If gaming employment is excluded, statewide job growth is 2.3 percent over the past 12 months, a pace somewhat closer to what Nevadans have come to expect.

The threat of a strike at Las Vegas hotel-casinos has considerably dissipated in the past month. Approximately three-fourths of the affected workers are covered under new labor agreements. Negotiations with many of the smaller

Las Vegas gaming properties, which generally operate with slimmer profit margins, have been more difficult. Talks continue, but settlements have not yet been reached with about a dozen hotels with a week to go before the new strike deadline.

Reno area tourism has suffered through a difficult spring. Airline passenger counts, hotel occupancy rates, and gaming revenues have been disappointing, with the over-the-year comparisons illustrating the absence of a major bowling tournament in 2002. It is hoped the reopening of the expanded

Reno-Sparks Convention Center this summer will provide some much-needed relief.

The Elko Labor Market Area received some good news when a new mining project at the northern end of the Carlin Trend was announced. The underground project at Ivanhoe is expected to produce a considerable amount of both gold and silver. If permits are granted, production could begin in 2005.

Although the U.S. economy remains on an upward trend, the road to recovery is not without bumps. Consumer spending—two-thirds of economic activity—propped up the economy during the recent recession. But consumer sentiment has fallen recently, as tensions in the Middle East, the India-Pakistan dispute, and a weak stock market have contributed to consumers' uncertainty. An extended decline in confidence would be worrisome. Some analysts fear the housing market could follow the recent path of the stock market in that a perceived price bubble could burst, further eroding wealth. The net result is that the full force of the U.S. economic recovery may not be felt until many months later than originally expected.

**Continued
weakness in
the tourism
industry...**

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	MAY 02 ^P	MAY 01	APR 02
TOTAL	1,071,700	1,060,000	1,064,700
MINING	9,100	10,200	9,000
CONSTRUCTION	92,800	89,500	91,100
MANUFACTURING	46,000	46,500	45,700
T.C.P.U. *	57,100	59,100	56,900
TRADE	226,100	220,000	224,900
wholesale	39,600	39,100	39,500
retail	186,500	180,900	185,400
F.I.R.E. **	51,300	49,100	51,000
SERVICES	456,700	456,900	454,400
hotels/gaming/rec.	238,800	245,800	237,700
GOVERNMENT	132,600	128,700	131,700

LAS VEGAS MSA***

TOTAL	794,200	784,400	790,500
MINING	1,400	1,600	1,400
CONSTRUCTION	73,800	71,500	72,900
MANUFACTURING	25,700	25,500	25,600
T.C.P.U. *	43,100	44,700	43,100
TRADE	171,200	166,600	170,600
wholesale	23,600	23,400	23,600
retail	147,600	143,200	147,000
F.I.R.E. **	39,400	37,600	39,300
SERVICES	352,400	352,800	350,700
hotels/gaming/rec.	189,000	195,000	188,300
GOVERNMENT	87,200	84,100	86,900

RENO MSA***

TOTAL	199,100	197,800	197,800
MINING	400	500	400
CONSTRUCTION	16,100	15,700	15,600
MANUFACTURING	14,400	14,700	14,400
T.C.P.U. *	12,300	12,800	12,300
TRADE	43,900	43,000	43,700
wholesale	12,400	12,300	12,400
retail	31,500	30,700	31,300
F.I.R.E. **	9,200	9,000	9,100
SERVICES	76,500	76,300	76,100
hotels/gaming/rec.	33,000	33,100	32,600
GOVERNMENT	26,300	25,800	26,200

* T.C.P.U. = Transportation, Communications & Public Utilities
 ** F.I.R.E. = Finance, Insurance & Real Estate
 *** MSA = Metropolitan Statistical Area

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	MAY 02 ^P	MAY 01	APR 02
LABOR FORCE	1,047,300	1,010,900	1,043,100
EMPLOYMENT	993,700	966,300	985,500
UNEMPLOYMENT	53,600	44,600	57,600
UNEMP. RATE (see note)	5.5%	4.8%	5.5%

LAS VEGAS MSA***

LABOR FORCE	825,500	793,200	821,900
EMPLOYMENT	782,000	758,100	775,900
UNEMPLOYMENT	43,500	35,100	46,000
UNEMP. RATE	5.3%	4.4%	5.6%

RENO MSA***

LABOR FORCE	187,000	181,200	185,900
EMPLOYMENT	178,900	174,600	177,200
UNEMPLOYMENT	8,100	6,600	8,700
UNEMP. RATE	4.3%	3.7%	4.7%

UNITED STATES

UNEMP. RATE (see note)	5.8%	4.4%	6.0%
JOB GROWTH (see note)	(1.1)%	0.3%	(1.2)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	179.8	177.7	179.8
12-MONTH % CHANGE	1.2%	3.6%	1.6%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	MAY ^P	MAY	APR	MAY ^P	MAY	APR	MAY ^P	MAY	APR
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$957.58	\$1027.40	\$1009.58	41.4	45.3	43.2	\$23.13	\$22.68	\$23.37
CONSTRUCTION	834.90	841.16	841.80	36.3	38.2	36.6	23.00	22.02	23.00
MANUFACTURING	566.92	606.83	579.35	39.7	43.5	39.9	14.28	13.95	14.52
durable goods	595.65	632.35	620.76	41.8	45.2	42.9	14.25	13.99	14.47
nondurable goods	503.69	550.83	489.64	35.1	39.8	33.4	14.35	13.84	14.66
PUBLIC UTILITIES	820.45	774.00	816.17	40.9	40.0	41.2	20.06	19.35	19.81
TRADE	430.01	415.37	429.34	32.8	32.4	32.6	13.11	12.82	13.17
wholesale	870.46	751.67	866.23	44.8	42.3	45.4	19.43	17.77	19.08
retail	341.39	343.60	338.17	30.4	30.3	29.9	11.23	11.34	11.31

NEVADA ECONOMY IN BRIEF

JUNE / SECOND QUARTER 2002

Nevada recorded a seasonally adjusted unemployment rate of 5.5 percent in June, the third consecutive month at that level. The state gained 2,700 jobs over the month. Construction, retail trade, and service sector employment gains offset the summer decline in school district employment. The number of jobs in the state has increased 12,400 statewide since June 2001, despite the loss of 6,000 jobs in the Hotels, Gaming and Recreation sector over the same period.

Las Vegas avoided its first major casino strike in nearly two decades, as all 35 properties involved in labor negotiations reached new agreements. The only strike, affecting fewer than 200 workers of the nearly 50,000 covered by the contracts, ended within ten days. The five-year contracts should provide a period of stability for southern Nevada's gaming industry, but increased labor costs may put additional pressure on marginally profitable properties. The effect of the new contracts on future hiring decisions throughout the market cannot be determined.

Tourism has continued its gradual improvement in Nevada and throughout the nation. In Las Vegas, the number of visitors, airline passenger counts, hotel occupancy rates, room prices, and gaming revenues are approaching last year's levels, although midweek business remains soft. Reno, however, is a glaring exception to the national trend. Washoe County has seen a year-over-year increase

in gross gaming revenues only once in the past 14 months. There were 10 percent fewer paying customers occupying the area's hotels and motels in May 2002 than a year earlier. Reno's historically strong special events season—extending from the Reno Rodeo in June to the Reno National Air Races in September—has just begun, however, and local officials are hoping the tourism figures will improve.

Nationally, the "irrational exuberance" of the late 1990's stock market has met its mirror image on the down side. The recent stock market meltdown could have both real and psychological effects on U.S. economic recovery. In addition to the erosion of wealth from stock market losses, several other factors could negatively impact the pace of the recovery. The loss of confidence resulting from corporate accounting scandals, a weakening dollar, and low U.S. interest rates could lead to a flight of foreign capital from U.S. markets, a concern that was expressed even in better economic times. Venture capital

investment in new firms is only one-fourth the level of two years ago. Strong consumer spending helped to moderate last year's recession, but additional business investment is needed to move the economy forward. The transfer of foreign investment dollars from U.S. markets to overseas markets will not help.

**...contracts
should
provide...
stability...**

2nd QUARTER HIGHLIGHTS

#The Carlin Trend mining district in northeastern Nevada produced its fifty millionth ounce of gold, making it only the third mining area in the world to reach that level of gold production.

#The Neonopolis entertainment and retail complex opened in downtown Las Vegas.

#The Golden Phoenix (formerly the Flamingo-Reno) and the Tonopah Station reopened. Both closed in late 2001.

#The University of Nevada, Reno Fire Science Academy near Carlin reopened in early May.

#Gold traded near \$330 per ounce—the highest price in almost five years—during the second quarter before retreating into the low \$300's.

#Plans were resurrected for several Las Vegas Strip projects that were postponed after the events of September 11 (Hilton timeshare, Mandalay Bay retail complex, Venetian hotel addition, etc.).

#The Crystal Bay Club on the north shore of Lake Tahoe closed.

#Varian Medical Systems opened a new production and distribution facility in Las Vegas that employs about 140.

#Ross Dress for Less became the latest addition to the retail growth of northern Douglas County.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	JUN 02 ^P	JUN 01	MAY 02
TOTAL	1,074,900	1,062,500	1,072,200
MINING	9,100	10,200	9,100
CONSTRUCTION	94,800	92,100	92,800
MANUFACTURING	46,300	47,000	46,000
T.C.P.U. *	56,900	58,600	57,100
TRADE	227,400	221,700	226,200
wholesale	39,800	39,500	39,600
retail	187,600	182,200	186,600
F.I.R.E. **	51,500	49,500	51,100
SERVICES	459,900	457,900	457,100
hotels/gaming/rec.	240,100	246,100	238,900
GOVERNMENT	129,000	125,500	132,800

LAS VEGAS MSA***

TOTAL	794,300	782,900	794,100
MINING	1,400	1,500	1,400
CONSTRUCTION	74,900	73,000	73,700
MANUFACTURING	26,000	25,800	25,700
T.C.P.U. *	42,900	44,500	43,100
TRADE	171,900	167,000	171,200
wholesale	23,800	23,600	23,600
retail	148,100	143,400	147,600
F.I.R.E. **	39,500	37,900	39,300
SERVICES	353,500	351,600	352,300
hotels/gaming/rec.	189,300	194,600	189,000
GOVERNMENT	84,200	81,600	87,400

RENO MSA***

TOTAL	200,500	199,000	199,100
MINING	400	500	400
CONSTRUCTION	16,600	16,300	16,100
MANUFACTURING	14,600	14,800	14,400
T.C.P.U. *	12,300	12,700	12,300
TRADE	44,200	43,400	43,900
wholesale	12,400	12,300	12,400
retail	31,800	31,100	31,500
F.I.R.E. **	9,300	9,100	9,200
SERVICES	77,800	77,300	76,500
hotels/gaming/rec.	33,500	33,400	33,000
GOVERNMENT	25,300	24,900	26,300

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

*** MSA = Metropolitan Statistical Area

FOR ADDITIONAL LABOR MARKET DATA CONTACT THE RESEARCH & ANALYSIS BUREAU

TELEPHONE: 775-684-0450

FAX: 775-684-0342

INTERNET: detr.state.nv.us/lmi

E-MAIL: detr@lmi@nvdetr.org

LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	JUN 02 ^P	JUN 01	MAY 02
LABOR FORCE	1,059,400	1,027,100	1,047,500
EMPLOYMENT	998,400	973,300	993,800
UNEMPLOYMENT	61,000	53,800	53,700
UNEMP. RATE (see note)	5.5%	5.0%	5.5%

LAS VEGAS MSA***

LABOR FORCE	834,100	804,600	825,500
EMPLOYMENT	784,600	762,000	782,100
UNEMPLOYMENT	49,500	42,600	43,400
UNEMP. RATE	5.9%	5.3%	5.3%

RENO MSA***

LABOR FORCE	189,400	184,500	187,100
EMPLOYMENT	180,300	176,800	178,900
UNEMPLOYMENT	9,100	7,700	8,200
UNEMP. RATE	4.8%	4.2%	4.4%

UNITED STATES

UNEMP. RATE (see note)	5.9%	4.6%	5.8%
JOB GROWTH (see note)	(1.0)%	0.1%	(1.2)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	179.9	178.0	179.8
12-MONTH % CHANGE	1.1%	3.2%	1.2%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JUN ^P	JUN	MAY	JUN ^P	JUN	MAY	JUN ^P	JUN	MAY
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$1002.80	\$1088.23	\$995.28	42.6	47.5	42.9	\$23.54	\$22.91	\$23.20
CONSTRUCTION	883.88	852.94	843.15	38.0	38.3	36.5	23.26	22.27	23.10
MANUFACTURING	587.16	599.11	575.55	39.7	42.4	39.1	14.79	14.13	14.72
durable goods	610.05	622.06	600.82	41.5	43.9	40.9	14.70	14.17	14.69
nondurable goods	535.14	546.16	520.61	35.7	38.9	35.2	14.99	14.04	14.79
PUBLIC UTILITIES	827.83	770.23	831.73	40.8	40.2	41.4	20.29	19.16	20.09
TRADE	438.88	418.86	433.62	33.4	32.8	32.9	13.14	12.77	13.18
wholesale	861.52	764.71	858.00	44.5	43.4	44.0	19.36	17.62	19.50
retail	352.67	346.70	347.31	31.1	30.6	30.6	11.34	11.33	11.35

STANDARD OCCUPATIONAL CLASSIFICATION SYSTEM (SOC)

A new system to categorize occupations, the Standard Occupational Classification System (SOC), has been adopted by the federal government to provide a consistent method of tracking and reporting occupational information. SOC will be used in numerous statistical programs that gather occupational data, including Census 2000, the Occupational Employment Statistics (OES) employment and wage survey, and 2000-2010 occupational projections. The Nevada Department of Employment, Training and Rehabilitation will use SOC codes in the updated wage survey and occupational projections data that will appear on its Web site by the fourth quarter of 2002.

SOC replaces the outdated Dictionary of Occupational Titles (DOT), first published in 1939. The DOT was created to define jobs in a hierarchical, manufacturing-based economy. The new system better reflects jobs in today's economy, in which "knowledge" and service workers predominate, skill sets transfer from job to job, and organizational hierarchies are often blurred or nonexistent.

The SOC system classifies occupations into 23 major groups (shown below). SOC utilizes a six-digit code, representing a four-layer hierarchy. The first two digits identify the major group. The next four digits represent a minor group, a broad occupation, and a specific occupation. Occupations with similar coding at each level are related by work activities and required skills.

SOC identifies more than 800 occupations. These occupations may not correspond to job titles in your company or organization. To determine the appropriate classification for a particular job, it may be necessary to use the tools provided by various government agencies, such as the U.S. Department of Labor and the Census Bureau. Links to some of those sites, as well as Research & Analysis Bureau contact information, are provided at the end of this article.

Another source of occupational information is the Occupational Information Network (O*NET). A skills-oriented database of occupations, O*NET provides details on skill and knowledge requirements, interest

areas, and work activities associated with an occupation. It is available for use by businesses, application developers, and the general public. It uses the SOC coding structure.

MAJOR OCCUPATIONAL GROUPS IN SOC

11-0000 - MANAGEMENT
13-0000 - BUSINESS & FINANCIAL OPERATIONS
15-0000 - COMPUTER & MATHEMATICAL
17-0000 - ARCHITECTURE & ENGINEERING
19-0000 - LIFE, PHYSICAL & SOCIAL SCIENCES
21-0000 - COMMUNITY & SOCIAL SERVICES
23-0000 - LEGAL
25-0000 - EDUCATION, TRAINING & LIBRARY
27-0000 - ARTS, ENTERTAINMENT, SPORTS & MEDIA
29-0000 - HEALTHCARE PRACTITIONER & TECH.
31-0000 - HEALTHCARE SUPPORT
33-0000 - PROTECTIVE SERVICE
35-0000 - FOOD PREPARATION & SERVING
37-0000 - BUILDING/GROUNDS CLEANING & MAINT.
39-0000 - PERSONAL CARE & SERVICE
41-0000 - SALES & RELATED
43-0000 - OFFICE & ADMINISTRATIVE SUPPORT
45-0000 - FARMING, FISHING & FORESTRY
47-0000 - CONSTRUCTION & EXTRACTION
49-0000 - INSTALLATION, MAINTENANCE & REPAIR
51-0000 - PRODUCTION
53-0000 - TRANSPORTATION & MATERIAL MOVING
55-0000 - MILITARY SPECIFIC

LINKS AND CONTACT INFORMATION:

For SOC information: <http://www.bls.gov/soc/>

For O*NET information: <http://online.onetcenter.org> or
<http://www.doleta.gov/programs/onet>

Census Bureau occupational information:
<http://www.census.gov/hhes/www/occupation.html>

In addition to the links listed above, the Department of Employment, Training and Rehabilitation's Nevada Career Information System (NCIS) is a source of comprehensive occupational information. The NCIS incorporates O*NET skills data, as well as SOC codes, within its occupational information file. For more information on the NCIS, call 775-684-0477.

INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

NEVADA		<u>Jan.'02</u>	<u>Feb.'02</u>	<u>Mar.'02</u>	<u>Apr.'02</u>	<u>May'02</u>	<u>Jun.'02</u>
	TOTAL	1055.0	1060.5	1066.3	1068.6	1073.5	1070.5
	Mining	9.5	9.2	9.2	9.1	9.1	8.9
	Construction	90.3	91.4	92.2	92.2	93.0	93.3
	Manufacturing	45.7	45.8	46.0	45.9	45.9	46.0
	<i>Durable Goods</i>	28.8	28.8	29.0	29.0	29.0	29.1
	<i>Non-durable Goods</i>	16.9	17.0	17.0	16.9	16.9	16.9
	TCPU	56.4	56.7	56.9	56.8	57.3	56.7
	Trade	223.7	224.6	226.2	227.4	227.7	228.0
	<i>Wholesale</i>	39.2	39.4	39.5	39.7	39.6	39.6
	<i>Retail</i>	184.5	185.2	186.7	187.7	188.1	188.4
	FIRE	50.3	50.6	50.9	51.1	51.1	51.4
	Services	451.4	453.4	455.6	457.1	458.9	457.6
	<i>HGR</i>	238.3	238.4	238.6	237.9	237.7	237.7
	Government	127.7	128.8	129.3	129.0	130.5	128.6

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

State of Nevada
Department of Employment, Training & Rehabilitation
Research & Analysis Bureau
500 E. Third Street
Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

JULY 2002

Nevada's economic conditions continued to show signs of slow but gradual improvement in July. The seasonally adjusted unemployment rate dropped to 5.4 percent after holding steady at 5.5 percent for the previous three months. Although total employment declined by 7,200 jobs statewide over the month, 6,700 of those jobs represented the normal seasonal decline in state and local government employment associated with education. Most major industry sectors held steady or added jobs from June to July. A total of 13,800 jobs have been created since July 2001 representing a 1.3 percent rate of growth, well below recent levels but acceptable when compared to other western states and the nation.

Revised estimates of U.S. Gross Domestic Product (GDP) showed the national economy actually experienced three quarters of negative growth beginning in the first quarter 2001, indicating a deeper more sustained recession than originally thought. Although second quarter 2002 GDP was revised downward to a disappointing 1.1 percent annual growth rate, there have now been three consecutive quarters of positive GDP growth.

The U.S. employment situation has remained essentially unchanged for the past three months. The 5.9 percent unemployment rate and negative 1.0 percent year-over-year job growth rate for July are both unchanged from June. Initial claims for unemployment insurance continue on

a downward trend and are at a 17-month low. The manufacturing sector continues to show signs of recovery, the housing market is benefitting from historically low interest rates, and consumer spending has slowed but remains strong.

Recent announcement of several new projects in the Las Vegas MSA provides additional evidence that Nevada's economic recovery may be under way, despite weak results recently recorded for several tourism indicators. Station Casinos announced a \$300 million hotel/casino to open

in Summerlin in 2005, Mandalay Bay will break ground in September on a new 1,126-room tower to open in the fall of 2003, and the Leisure Resorts Las Vegas timeshare complex will be expanded from 489 to 2000 units in three phases over ten years at a cost of \$450 million. Unfortunately the Reno MSA continues to experience significant declines in gaming revenue, taxable sales, and visitor volume. More positive results are expected in the coming months as the region's major special events season is well under way.

Many of Nevada's rural communities continue to experience declining population and tax revenue as a result of job losses, despite gold prices trading around \$315 per ounce for several months. On a positive note, sustained mining employment may be in store for Elko and Eureka counties. Newmont Mining reported progress on three new projects along the Carlin Trend that would help alleviate employment losses from scheduled shutdowns at other mines.

**...slow but
gradual
improvement
in July.**

NEVADA ECONOMIC DATA

FOR ADDITIONAL LABOR MARKET DATA CONTACT
THE RESEARCH & ANALYSIS BUREAU

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FAX: 775-684-0342
INTERNET: detr.state.nv.us/lmi
E-MAIL: detr@lmi.nvdetr.org

NEVADA	JUL 02 ^P	JUL 01	JUN 02
TOTAL	1,067,400	1,053,600	1,074,600
MINING	9,100	10,100	9,100
CONSTRUCTION	94,800	92,300	94,700
MANUFACTURING	46,300	46,600	46,300
T.C.P.U. *	57,600	58,200	57,000
TRADE	227,400	221,600	227,400
<i>wholesale</i>	39,700	39,300	39,800
<i>retail</i>	187,700	182,300	187,600
F.I.R.E. **	51,700	49,600	51,500
SERVICES	458,200	456,300	459,600
<i>hotels/gaming/rec.</i>	240,800	247,500	240,100
GOVERNMENT	122,300	118,900	129,000

LAS VEGAS MSA***

TOTAL	788,400	775,300	793,800
MINING	1,400	1,500	1,400
CONSTRUCTION	74,900	73,300	74,900
MANUFACTURING	26,000	25,600	26,000
T.C.P.U. *	43,500	43,900	42,900
TRADE	171,600	166,800	171,800
<i>wholesale</i>	23,700	23,400	23,700
<i>retail</i>	147,900	143,400	148,100
F.I.R.E. **	39,700	38,000	39,600
SERVICES	351,300	349,400	353,000
<i>hotels/gaming/rec.</i>	189,500	195,000	189,200
GOVERNMENT	80,000	76,800	84,200

RENO MSA***

TOTAL	199,100	197,900	200,500
MINING	400	500	400
CONSTRUCTION	16,600	16,200	16,600
MANUFACTURING	14,600	14,700	14,600
T.C.P.U. *	12,400	12,700	12,300
TRADE	44,500	43,700	44,200
<i>wholesale</i>	12,400	12,400	12,400
<i>retail</i>	32,100	31,300	31,800
F.I.R.E. **	9,400	9,100	9,300
SERVICES	77,900	78,000	77,800
<i>hotels/gaming/rec.</i>	33,800	34,200	33,500
GOVERNMENT	23,300	23,000	25,300

* T.C.P.U. = Transportation, Communications & Public Utilities
** F.I.R.E. = Finance, Insurance & Real Estate
*** MSA = Metropolitan Statistical Area

LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	JUL 02 ^P	JUL 01	JUN 02
LABOR FORCE	1,065,200	1,036,600	1,059,500
EMPLOYMENT	1,006,700	982,000	998,400
UNEMPLOYMENT	58,500	54,600	61,100
UNEMP. RATE (see note)	5.4%	5.1%	5.5%

LAS VEGAS MSA***

LABOR FORCE	839,100	810,800	833,600
EMPLOYMENT	790,800	766,700	783,800
UNEMPLOYMENT	48,300	44,100	49,800
UNEMP. RATE	5.8%	5.4%	6.0%

RENO MSA***

LABOR FORCE	190,500	186,100	189,400
EMPLOYMENT	182,100	178,800	180,300
UNEMPLOYMENT	8,400	7,300	9,100
UNEMP. RATE	4.4%	3.9%	4.8%

UNITED STATES

UNEMP. RATE (see note)	5.9%	4.6%	5.9%
JOB GROWTH (see note)	(1.0)%	0.2%	(1.0)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	180.1	177.5	179.9
12-MONTH % CHANGE	1.5%	2.7%	1.1%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JUL ^P	JUL	JUN	JUL ^P	JUL	JUN	JUL ^P	JUL	JUN
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$995.28	\$1089.49	\$1002.80	42.9	46.9	42.6	\$23.20	\$23.23	\$23.54
CONSTRUCTION	875.56	848.54	883.88	37.1	38.0	38.0	23.60	22.33	23.26
MANUFACTURING	579.97	591.51	587.16	39.4	42.1	39.7	14.72	14.05	14.79
<i>durable goods</i>	597.23	619.43	610.05	40.6	43.9	41.5	14.71	14.11	14.70
<i>nondurable goods</i>	544.64	526.43	535.14	36.9	37.9	35.7	14.76	13.89	14.99
PUBLIC UTILITIES	841.73	764.40	827.83	41.1	40.0	40.8	20.48	19.11	20.29
TRADE	436.58	421.52	438.88	33.2	32.6	33.4	13.15	12.93	13.14
<i>wholesale</i>	877.73	800.50	861.52	44.6	44.3	44.5	19.68	18.07	19.36
<i>retail</i>	347.93	341.03	352.67	30.9	30.1	31.1	11.26	11.33	11.34

NEVADA ECONOMY IN BRIEF

AUGUST 2002

August was notable for unexpectedly sharp declines in the unemployment rate nationally and in Nevada. The U.S. unemployment rate fell two-tenths of a percentage point, confounding analysts. The consensus forecast had called for a slight increase in unemployment. The statewide rate fell three-tenths of a percentage point during the month to 5.1 percent, and the Reno MSA had a decline of similar magnitude. The rate fell by one-half percentage point to 5.3 percent in the Las Vegas MSA.

Although the unemployment rate has been declining in Nevada throughout 2002, the figures should be viewed cautiously. The U.S. is experiencing what many analysts refer to as a "jobless recovery." Nevada's recovery has not been jobless, but employment growth has been disappointing by the standards of the 1990's. Gaming industry employment appears to have found a new post-September 11 level. Employment in the state's major industry is down nearly 5,000 in the Las Vegas MSA and 6,000 statewide over the year. Gaming employment is essentially unchanged in the three years since the Paris-Las Vegas resort opened, although employment in the state's other industries has increased by more than 75,000 during that time. Until tourism returns to the high-water mark reached in 2000 and early 2001, or major new hotel-casino facilities are constructed, gaming employment is unlikely to increase significantly.

**...the 1990's
were...a once-
in-a-lifetime
boom.**

Help is on the way, however. La Reve, expected to be the Las Vegas Strip's next megaresort, could begin construction this fall. The Venetian, Bellagio, and Mandalay Bay resorts have expansions planned or under way, and several other hotel projects have been proposed. If all goes as planned the next round of openings should produce close to 10,000 new jobs in the industry between late 2003 and mid-2005.

The Reno area, meanwhile, is concluding what appears to be a strong special-events season. Hot August Nights, the Best-in-the-West Nugget Rib Cookoff, and the Reno National Air Races set or approached attendance records. The Reno-Sparks Convention Center has reopened after renovation and expansion. Major bowling tournaments will be held in the city in each of the next two years. Chances are great that the recent downward trends in airline passenger and visitor counts will be reversed.

After five years of rapidly declining employment, the state's mining industry appears to be stabilizing. Gold has traded above \$300 per ounce for the last six months. New projects are being developed that will provide jobs for workers from exhausted mines. Discoveries of new ore bodies, and a price that makes additional mine development feasible, should stem the exodus of mining jobs from the state.

It should be remembered that the 1990's were probably a once-in-a-lifetime boom. The business cycle still exists, and the economy is undergoing the inevitable adjustments. Long-term prospects remain positive for both Nevada and the nation.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	AUG 02 ^P	AUG 01	JUL 02
TOTAL	1,073,700	1,059,600	1,067,800
MINING	9,100	10,100	9,100
CONSTRUCTION	96,000	93,800	94,900
MANUFACTURING	46,400	46,600	46,400
T.C.P.U. *	57,600	57,800	57,600
TRADE	228,200	222,800	227,300
wholesale	39,800	39,400	39,700
retail	188,400	183,400	187,600
F.I.R.E. **	52,100	50,300	51,700
SERVICES	461,900	458,900	458,400
hotels/gaming/rec.	241,000	247,000	241,000
GOVERNMENT	122,400	119,300	122,400

LAS VEGAS MSA***

TOTAL	794,300	781,800	788,500
MINING	1,400	1,600	1,400
CONSTRUCTION	75,600	74,300	75,000
MANUFACTURING	26,000	25,700	26,000
T.C.P.U. *	43,600	43,700	43,500
TRADE	172,300	167,600	171,600
wholesale	23,800	23,400	23,700
retail	148,500	144,200	147,900
F.I.R.E. **	40,100	38,600	39,700
SERVICES	354,600	352,200	351,300
hotels/gaming/rec.	189,600	194,500	189,600
GOVERNMENT	80,700	78,100	80,000

RENO MSA***

TOTAL	199,700	198,600	199,200
MINING	400	400	400
CONSTRUCTION	17,000	16,500	16,600
MANUFACTURING	14,600	14,700	14,600
T.C.P.U. *	12,300	12,500	12,400
TRADE	44,500	44,200	44,400
wholesale	12,400	12,500	12,400
retail	32,100	31,700	32,000
F.I.R.E. **	9,300	9,100	9,400
SERVICES	78,000	77,900	77,900
hotels/gaming/rec.	33,800	34,300	33,800
GOVERNMENT	23,600	23,300	23,500

* T.C.P.U. = Transportation, Communications & Public Utilities
 ** F.I.R.E. = Finance, Insurance & Real Estate
 *** MSA = Metropolitan Statistical Area

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	AUG 02 ^P	AUG 01	JUL 02
LABOR FORCE	1,051,400	1,030,200	1,065,200
EMPLOYMENT	998,600	976,300	1,006,700
UNEMPLOYMENT	52,800	53,900	58,500
UNEMP. RATE (see note)	5.1%	5.3%	5.4%

LAS VEGAS MSA***

LABOR FORCE	829,700	808,700	839,100
EMPLOYMENT	786,000	765,000	790,800
UNEMPLOYMENT	43,700	43,700	48,300
UNEMP. RATE	5.3%	5.4%	5.8%

RENO MSA***

LABOR FORCE	188,000	184,600	190,600
EMPLOYMENT	180,300	177,300	182,200
UNEMPLOYMENT	7,700	7,300	8,400
UNEMP. RATE	4.1%	4.0%	4.4%

UNITED STATES

UNEMP. RATE (see note)	5.7%	4.9%	5.9%
JOB GROWTH (see note)	(0.9)%	0.1%	(0.9)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	180.7	177.5	180.1
12-MONTH % CHANGE	1.8%	2.7%	1.5%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	AUG ^P	AUG	JUL	AUG ^P	AUG	JUL	AUG ^P	AUG	JUL
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$953.11	\$1119.90	\$988.32	41.1	47.9	42.6	\$23.19	\$23.38	\$23.20
CONSTRUCTION	878.47	880.31	877.04	37.8	38.9	37.1	23.24	22.63	23.64
MANUFACTURING	589.94	600.66	582.52	39.7	42.6	39.6	14.86	14.10	14.71
durable goods	618.41	634.20	598.94	41.7	45.3	40.8	14.83	14.00	14.68
nondurable goods	528.52	531.32	544.64	35.4	37.0	36.9	14.93	14.36	14.76
PUBLIC UTILITIES	818.04	760.98	832.73	40.1	39.8	40.8	20.40	19.12	20.41
TRADE	451.57	424.41	438.56	33.8	32.9	33.3	13.36	12.90	13.17
wholesale	940.23	808.15	886.20	46.5	45.3	44.6	20.22	17.84	19.87
retail	351.94	343.91	349.25	31.2	30.3	31.1	11.28	11.35	11.23

NEVADA ECONOMY IN BRIEF

SEPTEMBER / THIRD QUARTER 2002

Recovery from the economic woes that began in the spring of 2001 continued in September, but many signs point to improvement that is lukewarm at best. The unemployment rate declined one-tenth of a percentage point in September both in Nevada and nationally, to 4.9 percent and 5.6 percent, respectively. The addition of 7,300 jobs statewide over the month came almost exclusively from teachers returning for the start of the new school year. Over the past 12 months, statewide employment has increased by 15,200—a gain of only 1.4 percent—while the national job count is still well below a year ago.

Hotels, Gaming and Recreation (HGR) employment in Nevada remains below last year's level, but the over-the-year decline of 4,500 jobs is the smallest in 12 months. In October 2001, following massive post-September 11 layoffs, the year-over-year decline in gaming jobs was 11,400. Employment in the state's largest industry has rebounded slowly and remains well below its peak—reached not in 2001, but in August 2000 (see chart).

Despite job losses in tourism, service sector employment has increased by 5,300 since September 2001. Personal services, health services, and business services have all shown increases of at least 4.2 percent statewide in the past year. The business services increase of 6.1 percent could be an especially positive sign. The hiring of temporary help as business improves is often a precursor to permanent hiring.

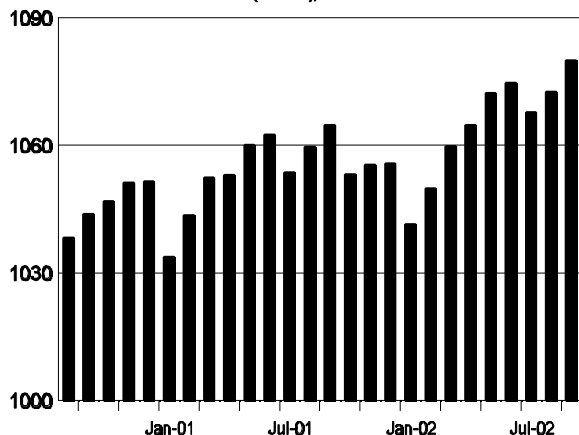
Additional good news comes from the construction

sector. New home construction, fueled by low interest rates, has kept the construction industry busy between megaresort construction cycles. While new home construction is expected to slow in coming months, considerable activity has been taking place in other parts of the industry. Several retail projects have recently opened or are on the horizon. These include the Galleria at Sunset expansion in Henderson, the Fashion Show Mall expansion on the Las Vegas Strip, and South Towne Crossing and a new Sam's Club in Reno. Some hotel construction is in progress in the Las Vegas area as well. New towers at the Venetian and Mandalay Bay are under way, and the Cannery in North Las Vegas and the Ritz-Carlton at Lake Las Vegas should open in the next three months.

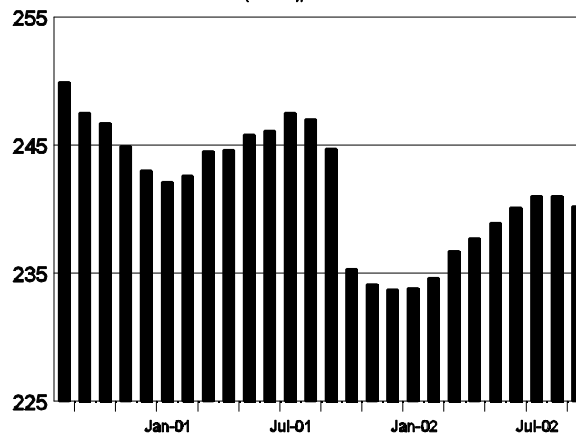
On the national and international fronts, problems remain. Job creation has been virtually non-existent. Manufacturing and construction activity slowed during the summer. A rise in business investment needed to ensure economic recovery is still more hope than reality. The stock market has been unable to sustain a rally. Possible price bubbles exist in both the housing and Treasury bond markets. Household debt percentage of personal income is at an all-time high. War may be on the horizon, and oil supplies and prices could be impacted. Is it a surprise, then, that consumer confidence has been on the decline? None of these conditions, in isolation, is fatal to the economy, but all should be monitored closely. Nevada's economic health is, and always has been, linked to the economic health of the nation.

Recovery...
is lukewarm
at best.

NEVADA TOTAL EMPLOYMENT (in 000s), AUGUST 2000 - SEPTEMBER 2002



NEVADA HGR EMPLOYMENT (in 000s), AUGUST 2000 - SEPTEMBER 2002



NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	SEP 02 ^P	SEP 01	AUG 02
TOTAL	1,079,900	1,064,700	1,072,600
MINING	9,000	9,900	9,000
CONSTRUCTION	95,400	92,700	95,900
MANUFACTURING	46,300	46,300	46,400
T.C.P.U. *	57,500	57,600	57,600
TRADE	228,300	223,400	227,900
wholesale	39,800	39,200	39,700
retail	188,500	184,200	188,200
F.I.R.E. **	52,100	50,300	52,000
SERVICES	461,000	455,700	461,400
hotels/gaming/rec.	240,200	244,700	241,000
GOVERNMENT	130,300	128,800	122,400

LAS VEGAS MSA***

TOTAL	799,400	785,900	793,500
MINING	1,400	1,500	1,400
CONSTRUCTION	75,200	73,600	75,500
MANUFACTURING	26,000	25,600	26,100
T.C.P.U. *	43,500	43,400	43,600
TRADE	172,400	168,000	171,900
wholesale	23,800	23,300	23,700
retail	148,600	144,700	148,200
F.I.R.E. **	40,100	38,600	40,000
SERVICES	354,500	350,000	354,300
hotels/gaming/rec.	189,300	193,000	189,600
GOVERNMENT	86,300	85,200	80,700

RENO MSA***

TOTAL	201,500	200,100	199,700
MINING	400	400	400
CONSTRUCTION	16,700	16,300	17,000
MANUFACTURING	14,600	14,600	14,600
T.C.P.U. *	12,400	12,500	12,300
TRADE	44,600	44,400	44,400
wholesale	12,400	12,400	12,300
retail	32,200	32,000	32,100
F.I.R.E. **	9,400	9,100	9,300
SERVICES	77,800	77,600	78,000
hotels/gaming/rec.	33,500	34,100	33,800
GOVERNMENT	25,600	25,200	23,700

* T.C.P.U. = Transportation, Communications & Public Utilities
 ** F.I.R.E. = Finance, Insurance & Real Estate
 *** MSA = Metropolitan Statistical Area

FOR ADDITIONAL LABOR MARKET DATA CONTACT THE RESEARCH & ANALYSIS BUREAU

TELEPHONE: 775-684-0450

FAX: 775-684-0342

INTERNET: detr.state.nv.us/lmi

E-MAIL: detr@lmi@nv.detr.org

LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	SEP 02 ^P	SEP 01	AUG 02
LABOR FORCE	1,052,800	1,033,100	1,050,900
EMPLOYMENT	1,001,600	979,900	998,300
UNEMPLOYMENT	51,200	53,200	52,600
UNEMP. RATE (see note)	4.9%	5.2%	5.0%

LAS VEGAS MSA***

LABOR FORCE	832,600	810,900	829,900
EMPLOYMENT	789,900	767,400	786,400
UNEMPLOYMENT	42,700	43,500	43,500
UNEMP. RATE	5.1%	5.4%	5.2%

RENO MSA***

LABOR FORCE	189,000	185,700	188,200
EMPLOYMENT	181,700	178,500	180,500
UNEMPLOYMENT	7,300	7,200	7,700
UNEMP. RATE	3.9%	3.9%	4.1%

UNITED STATES

UNEMP. RATE (see note)	5.6%	5.0%	5.7%
JOB GROWTH (see note)	(0.7)%	(0.2)%	(0.8)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	181.0	178.3	180.7
12-MONTH % CHANGE	1.5%	2.6%	1.8%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	SEP ^P	SEP	AUG	SEP ^P	SEP	AUG	SEP ^P	SEP	AUG
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$990.19	\$1089.04	\$939.47	42.1	46.8	40.2	\$23.52	\$23.27	\$23.37
CONSTRUCTION	851.76	881.27	876.28	36.4	38.5	38.0	23.40	22.89	23.06
MANUFACTURING	602.36	601.80	587.93	40.7	42.5	39.3	14.80	14.16	14.96
durable goods	629.16	636.75	620.01	42.8	45.0	41.5	14.70	14.15	14.94
nondurable goods	545.95	530.33	517.50	36.3	37.4	34.5	15.04	14.18	15.00
PUBLIC UTILITIES	855.22	779.54	837.54	40.9	40.1	40.5	20.91	19.44	20.68
TRADE	455.60	424.74	452.59	33.5	32.9	33.7	13.60	12.91	13.43
wholesale	969.02	844.74	938.78	47.2	46.8	46.2	20.53	18.05	20.32
retail	352.04	337.80	354.12	30.8	30.0	31.2	11.43	11.26	11.35

UPCOMING CHANGES TO EMPLOYMENT BY INDUSTRY

This is a reminder that beginning with January 2003 data, Nevada's employment by industry will be based on the new North American Industry Classification System (NAICS). This new classification structure reflects changes in technology and identifies new and emerging industries such as the internet. The NAICS system groups in the same industry firms that use similar production processes to produce goods and services. NAICS focuses on *how* products and services are created. Prior to the development of NAICS, employers' economic activity was determined by *what* goods or services were produced using the Standard Industrial Classification (SIC) system.

As a result of this change, monthly employment by industry will look very different. NAICS is comprised of 20 major industry sectors and 1,179 industries, including 358 new industry definitions. The new industry sectors and major differences between NAICS and SIC industries are described in the table below.

After December 2002, employment based on the previous SIC coding structure will no longer be available. Limited historical data series using the new NAICS industry data will be available. If you require these data, or if you have questions, please contact the Labor Market Information unit at 775-684-0450.

<u>NAICS INDUSTRY SECTORS</u>	<u>MAJOR DIFFERENCES BETWEEN NAICS & SIC</u>
Agriculture, Forestry, Fishing & Hunting	
Mining	
Construction	Includes Construction Management companies
Manufacturing	Excludes Printing & Publishing
Wholesale Trade	
Retail Trade	Excludes Restaurants
Transportation & Warehousing	
Utilities	Excludes Waste Disposal
Information	NEW INDUSTRY: Includes Printing & Publishing, Data Processing, Broadcasting, Telecommunications, Information
Finance & Insurance	Includes Pawn Shops in Finance
Real Estate and Rental & Leasing	Includes Auto & Equipment Rental, General Rental Centers, & Formal Wear Rentals
Professional, Scientific, & Technical Services	NEW INDUSTRY: Includes skilled professionals such as Engineers, Veterinarians, Computer Systems/WEB Design
Management of Companies & Enterprises	NEW INDUSTRY: Includes Corporate Offices, Centralized Administrative and Regional Sales Offices
Administrative & Support and Waste Management	NEW INDUSTRY: Includes former 'Business Services' of Employee Leasing, Convention Organizers, & Reservation Services
Educational Services	Expanded definitions for Computer Training, Exam Prep., Technical Schools, and Sports & Recreation Instruction
Health Care & Social Assistance	
Arts, Entertainment & Recreation	Includes Casinos only (not Casino Hotels)
Accommodation & Food Services	Includes Casino Hotels separately from Hotels/Motels; Includes Restaurants, by Full Service / Limited Service;
Other Services	Includes Repair & Maintenance, Personal Care & Laundry Services
Government	

INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

	<u>Apr. '02</u>	<u>May '02</u>	<u>Jun. '02</u>	<u>Jul. '02</u>	<u>Aug. '02</u>	<u>Sep. '02</u>
TOTAL	1068.6	1073.5	1070.2	1070.8	1070.4	1068.3
Mining	9.1	9.1	8.9	9.0	8.9	9.0
Construction	92.2	93.0	93.2	93.3	93.3	93.4
Manufacturing	45.9	45.9	46.0	46.1	46.2	46.1
<i>Durable Goods</i>	29.0	29.0	29.1	29.1	29.2	29.1
<i>Non-durable Goods</i>	16.9	16.9	16.9	17.0	17.0	17.0
TCPU	56.8	57.3	56.8	57.4	57.5	57.2
Trade	227.4	227.7	228.0	227.4	227.2	227.2
<i>Wholesale</i>	39.7	39.6	39.6	39.4	39.4	39.8
<i>Retail</i>	187.7	188.1	188.4	188.0	187.8	187.4
FIRE	51.1	51.1	51.4	51.7	51.7	52.0
Services	457.1	458.9	457.3	455.7	454.1	453.7
<i>HGR</i>	237.9	237.7	237.7	237.2	236.5	238.1
Government	129.0	130.5	128.6	130.2	131.5	129.7

NEVADA

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

State of Nevada
Department of Employment, Training & Rehabilitation
Research & Analysis Bureau
500 E. Third Street
Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

OCTOBER 2002

The recent downward trend in unemployment continued in October. Nevada's statewide unemployment rate fell 0.4 percentage points to 4.5 percent. All of the state's major reporting areas saw declines of similar magnitude. The statewide rate and the Las Vegas MSA's 4.8 percent rate were the lowest reported since the first half of 2001, and the 3.5 percent rate for the Reno MSA was the lowest since the end of 2000. The Carson City and Elko labor market areas reported their lowest unemployment rates in two full years, 4.3 percent and 4.1 percent respectively.

Industrial employment data also reflected positively on the Nevada economy. The state added 2,800 jobs in October. The number of jobs has increased by 30,000 statewide in the past 12 months, a 2.8 percent rate of growth. But the employment figures should be viewed with caution. October 2001 was the first month to reflect massive post-September 11 layoffs. The state lost more than 10,000 jobs between September and October last year. Over-the-year comparisons for the next several months may be influenced more by last year's job losses than by this year's recovery.

A look at employment data for October 2000—prior to both the national recession and September 11—shows that the state has gained 36,400 jobs in the past two years, a relatively modest increase. From 1992 through

2000 the state produced an average of more than 48,000 new jobs each year. Job creation over the past 24 months has clearly been population-driven. The robust housing market has led to an increase of 7,000 jobs in construction and nearly 5,000 in finance, insurance, and real estate. Retail trade has provided more than 8,000 new jobs. Local government (primarily school districts) has generated 6,000 jobs, and health services employment has increased by more than 5,000. The state's dominant gaming industry, meanwhile, has suffered a loss of nearly 8,000 jobs over the same period, and the next

Las Vegas megaresort is not expected to open until 2005. The industrial sectors more closely tied to the national economy and other outside influences, often among the highest-paying industries, have lost jobs or reported minimal growth. Mining, manufacturing, utilities, transportation, and wholesale trade have combined for a net decrease of 700 jobs in the past two years.

The national economy continues to face numerous challenges, so Nevada's growth is likely to remain modest by historical standards. The prospect of war with Iraq has put financial markets on edge. Consumer confidence has waned in recent months, and there are few indications that businesses will significantly increase hiring and capital investment in the near term. It can only be hoped that the recent one-half percentage point cut in interest rates by the Federal Reserve Board will prolong the housing boom and encourage the business community to add fuel to the recovery.



...growth is
likely to
remain
modest...

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	OCT 02 ^P	OCT 01	SEP 02
TOTAL	1,083,200	1,053,200	1,080,400
MINING	8,800	9,800	9,000
CONSTRUCTION	95,000	91,800	95,300
MANUFACTURING	46,400	45,900	46,300
T.C.P.U. *	57,900	56,700	57,500
TRADE	228,400	223,000	228,400
wholesale	39,700	39,200	39,800
retail	188,700	183,800	188,600
F.I.R.E. **	51,900	50,200	52,000
SERVICES	459,800	445,500	461,200
hotels/gaming/rec.	238,900	235,300	240,200
GOVERNMENT	135,000	130,300	130,700

LAS VEGAS MSA***

TOTAL	802,500	776,500	799,400
MINING	1,400	1,500	1,400
CONSTRUCTION	74,900	72,700	75,200
MANUFACTURING	26,100	25,500	26,000
T.C.P.U. *	43,700	42,800	43,500
TRADE	172,600	168,000	172,300
wholesale	23,700	23,300	23,700
retail	148,900	144,700	148,600
F.I.R.E. **	40,000	38,500	40,100
SERVICES	354,100	341,400	354,600
hotels/gaming/rec.	189,000	184,900	189,300
GOVERNMENT	89,700	86,100	86,300

RENO MSA***

TOTAL	202,400	198,600	201,500
MINING	400	400	400
CONSTRUCTION	16,700	16,200	16,700
MANUFACTURING	14,600	14,500	14,600
T.C.P.U. *	12,600	12,300	12,400
TRADE	44,900	44,300	44,600
wholesale	12,400	12,400	12,400
retail	32,500	31,900	32,200
F.I.R.E. **	9,400	9,100	9,400
SERVICES	77,300	76,200	77,800
hotels/gaming/rec.	32,800	33,000	33,500
GOVERNMENT	26,500	25,600	25,600

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

*** MSA = Metropolitan Statistical Area

LABOR FORCE DATA FOR ADDITIONAL LABOR MARKET DATA CONTACT THE RESEARCH & ANALYSIS BUREAU

TELEPHONE: 775-684-0450

FAX: 775-684-0342

INTERNET: www.nvdetr.org/lmi

E-MAIL: detr@lmi.nvdetr.org

(BY PLACE OF RESIDENCE)

NEVADA	OCT 02 ^P	OCT 01	SEP 02
LABOR FORCE	1,056,800	1,042,900	1,053,200
EMPLOYMENT	1,009,300	975,100	1,001,800
UNEMPLOYMENT	47,500	67,800	51,400
UNEMP. RATE (see note)	4.5%	6.6%	4.9%

LAS VEGAS MSA***

LABOR FORCE	833,900	819,700	832,300
EMPLOYMENT	794,000	761,900	789,400
UNEMPLOYMENT	39,900	57,800	42,900
UNEMP. RATE	4.8%	7.1%	5.2%

RENO MSA***

LABOR FORCE	189,600	185,400	188,800
EMPLOYMENT	182,900	178,000	181,500
UNEMPLOYMENT	6,700	7,400	7,300
UNEMP. RATE	3.5%	4.0%	3.9%

UNITED STATES

UNEMP. RATE (see note)	5.7%	5.4%	5.6%
JOB GROWTH (see note)	(0.4)%	(0.5)%	(0.7)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	181.3	177.7	181.0
12-MONTH % CHANGE	2.0%	2.1%	1.5%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	OCT ^P	OCT	SEP	OCT ^P	OCT	SEP	OCT ^P	OCT	SEP
	2002	2001	2002	2002	2001	2002	2002	2001	2002
MINING	\$973.49	\$1064.30	\$1004.63	40.8	45.6	42.3	\$23.86	\$23.34	\$23.75
CONSTRUCTION	889.43	876.56	848.12	37.8	38.7	36.4	23.53	22.65	23.30
MANUFACTURING	588.85	602.92	599.81	39.6	42.7	40.5	14.87	14.12	14.81
durable goods	611.65	646.30	629.59	41.3	46.0	42.8	14.81	14.05	14.71
nondurable goods	539.94	514.09	534.99	35.9	35.9	35.5	15.04	14.32	15.07
PUBLIC UTILITIES	896.13	767.53	863.65	41.7	39.3	40.7	21.49	19.53	21.22
TRADE	437.23	414.04	444.20	33.3	31.8	33.1	13.13	13.02	13.42
wholesale	919.48	796.35	914.91	45.7	43.9	45.7	20.12	18.14	20.02
retail	353.50	335.19	349.45	31.2	29.3	30.6	11.33	11.44	11.42